

1-1 By: Burrows (Senate Sponsor - Perry) H.B. No. 338
 1-2 (In the Senate - Received from the House May 5, 2017;
 1-3 May 5, 2017, read first time and referred to Committee on
 1-4 Agriculture, Water & Rural Affairs; May 17, 2017, reported
 1-5 favorably by the following vote: Yeas 7, Nays 0; May 17, 2017,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 A BILL TO BE ENTITLED
 1-17 AN ACT

1-18 relating to acreage contracts and quantity contracts for the
 1-19 purchase of agricultural products.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. This Act may be cited as the Producer Protection
 1-22 Act.

1-23 SECTION 2. Subtitle D, Title 5, Agriculture Code, is
 1-24 amended by adding Chapter 104 to read as follows:

1-25 CHAPTER 104. ACREAGE CONTRACTS AND QUANTITY CONTRACTS

1-26 Sec. 104.001. DEFINITIONS. In this chapter:

1-27 (1) "Acreage contract" means a contract that requires
 1-28 a producer to deliver to a purchaser all of the production of a
 1-29 specified agricultural product grown on land described in the
 1-30 contract, unless clearly and conspicuously stated otherwise in the
 1-31 contract's language. The term does not include a contract that
 1-32 requires a producer to deliver a specified quantity of an
 1-33 agricultural product.

1-34 (2) "Producer" means a person who produces an
 1-35 agricultural product and sells the product under an acreage
 1-36 contract or a quantity contract.

1-37 (3) "Purchaser" means a person who purchases an
 1-38 agricultural product under an acreage contract or a quantity
 1-39 contract.

1-40 (4) "Quantity contract" means a contract that requires
 1-41 a producer to deliver to a purchaser a specified quantity of an
 1-42 agricultural product, regardless of the amount of the product grown
 1-43 by the producer.

1-44 Sec. 104.002. CONTRACT TYPE DISCLOSURE. A contract between
 1-45 a producer and a purchaser regarding an agricultural product must
 1-46 clearly and conspicuously state on its face that it is an acreage
 1-47 contract or a quantity contract, as applicable.

1-48 Sec. 104.003. SUIT BY PURCHASER UNDER ACREAGE CONTRACT. A
 1-49 purchaser may not file suit against a producer under an acreage
 1-50 contract unless the producer knowingly fails to deliver to the
 1-51 purchaser all of an agricultural product grown on specified land as
 1-52 provided by the acreage contract.

1-53 SECTION 3. Chapter 104, Agriculture Code, as added by this
 1-54 Act, applies only to a contract executed on or after the effective
 1-55 date of this Act. A contract executed before the effective date of
 1-56 this Act is governed by the law in effect when the contract was
 1-57 executed, and the former law is continued in effect for that
 1-58 purpose.

1-59 SECTION 4. This Act takes effect September 1, 2017.

1-60 * * * * *